

Seattle schools project \$74 million shortfall next year, could mean teacher layoffs

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Seattle Public Schools Superintendent Larry Nyland, seen at Chief Sealth International High School in 2015, says the district faces a projected budget shortfall of \$74 million for the 2017-18 school year and is planning for the worst-case scenario, which could include teacher layoffs and program cuts. (Ellen M. Banner/The Seattle Times)

Seattle Public Schools faces a budget shortfall of as much as \$74 million for the 2017-18 school year, and the district is planning for the worst-case scenario, which could include teacher layoffs and program cuts.

By [Paige Cornwell](#)

Seattle Times staff reporter

Seattle Public Schools is projecting a budget shortfall of \$74 million for the 2017-18 school year and is planning for the worst-case scenario, which could include teacher layoffs and program cuts.

In a message to teachers Wednesday, Superintendent Larry Nyland said one big aspect of the problem is the so-called “levy cliff,” under which the district could lose about \$30 million.

That “cliff” refers to the fact that if the Legislature doesn’t act to remove it, school districts, starting in 2018, won’t be able to collect as much money as voters have approved through local levies.

Community Budget Gap Meetings

Tues., Dec. 13, 6:30-8 p.m.

Ballard High School, 1418 N.W. 65th St.

Thurs., Dec. 15, 6:30-8 p.m.

South Shore PreK-8 School, 4800 S. Henderson St.

Tues., Jan. 3, 6:30-8 p.m.

Franklin High School, 3013 S. Mount Baker Blvd.

Seattle Public Schools

The district also points to the failure of the state to fully fund salaries for school employees, even as the district expects labor costs to increase by \$25 million.

The budget gap is the largest the district has faced since the 1970s, Nyland wrote in his message. The district sent information about the issue to families Thursday.

“Right now there are many unknowns,” Nyland wrote. “These unknowns will cause challenges and disruptions to the good work that our schools, educators and central office staff are doing, and for that I am truly sorry.”

Seattle isn’t the only district worried about funding, especially the levy cliff. If the Legislature doesn’t remove the cliff, districts won’t be able to use nearly \$500 million of their approved local levies, according to the Washington Association of School Administrators (WASA).

Districts are having to create two budgets: one with money they could use if the Legislature addresses the levy cliff, and one without that money, WASA Executive Director Bill Keim said. Most districts, he added, will start looking at their budgets in more detail next month.

“It’s causing a lot of concern and instability that probably doesn’t need to happen,” Keim said.

In Seattle, the district attributes part of the gap to the state’s underfunding of public education. In its 2012 McCleary decision, the state Supreme Court ruled that Washington is violating the state constitution by underfunding public schools.

While lawmakers have added billions for education since then, they haven't fully complied with the court order, especially because the state doesn't yet cover the full cost of salaries for teachers and other school staff.

And one Seattle School Board member says his colleagues have added to the problem.

Stephan Blanford pointed to the board's recent decisions to revise the district's growth-boundaries plan, which added more than \$1 million to the deficit because of costs for transportation and portable classrooms.

He also said the board didn't save enough money when it had a surplus in the 2015-16 budget.

Deputy Superintendent Stephen Nielsen said any money spent was needed for the students at the time.

"You have to take the high road and say 'We are going to do our part on the expectation, even if the Legislature doesn't do its part,'" Nielsen said. "If we stockpile money, we've shortchanged kids."

Although the new legislative session starts next month, lawmakers likely won't complete the state budget for 2017-19 until spring or later.

Seattle and other districts must start planning for the 2017-18 school year earlier than that.

In Seattle, budget allocations for individual schools are sent to them in February and March and, as it stands, will represent the worst-case budget scenario, Nyland wrote. By state law, districts must notify teachers of possible layoffs by May 15, or June 15 at the latest.

District staff have recommended several ways to reduce the gap, including tapping into reserve funds and using money set aside for other things, such as new instructional materials, Nielsen said.

Even with those reductions, which would need the School Board's approval, the deficit could still be as much as \$44 million.

That's the equivalent of roughly 440 positions within Seattle schools, though that doesn't necessarily mean that many people would be laid off, Nielsen said.

By law, school districts must have a balanced budget, Nielsen said. "And because we have to plan on a balanced budget," he said, "we have to go public with the worst-case scenario until we have a passed and authorized budget stating otherwise."

In addition to increased labor costs and the potential loss of levy dollars, the third part of the gap reflects an expected increase in fixed costs, such as how much the district spends on utilities.

“The reason we are so nervous is because we usually just have that last third,” Nielsen said. “The ongoing costs are what you have to plan on budgeting, but the fact that we are losing money from the state and they are not giving us money for compensation, those are the problems.”

Blanford also said he is concerned that some schools, particularly those in low-income areas and with a higher number of students of color, may be more affected by cuts than others.

“As painful as these funding challenges and budget cuts will be districtwide,” he said, “we must not allow them to fall disproportionately on our most vulnerable schools, particularly those that are just beginning to show sustained progress in closing our achievement and opportunity gaps, which are among the largest in the nation.”

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